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C O N F I D E N T I A L TAIPEI 003867

SIPDIS

DEPT PASS TO AIT/W AND USTR  
DEPT FOR EAP/TC, EAP/EP, EB/IFD/OIA AND NKWG  
TREASURY FOR OASIA MOGHTADER AND OCC AMCMAHON  
TREASURY ALSO PASS TO FEDERAL RESERVE BOARD OF GOVERNORS,  
SAN FRANCISCO FRB AND NEW YORK FRB

E.O. 12958: DECL: 09/18/2020  
TAGS: [ECON](#) [PINR](#) [KCRM](#) [KTFN](#) [TW](#) [HK](#)  
SUBJECT: TAIWAN MONEY BROKERS USE BANCO DELTA ASIA  
SUBSIDIARY

REF: A. TAIPEI 3288  
[B](#). TAIPEI 3766

Classified By: AIT ACTING DIRECTOR DAVID KEEGAN, REASON 1.5 B/D

(C) Hong Kong professional money laundering investigator Peter Gallo (refs) sent an e-mail letter on September 18 to AIT/Econ reporting that Delta Asia Credit Limited (the Hong Kong subsidiary of Banco Delta Asia, which the U.S. Treasury recently publicly designated as a "primary money laundering concern") was one of the two Hong Kong companies that had been clearing U.S. dollar checks from unlicensed money brokers in Taiwan. The other company was Gallo's client bank, a Hong Kong customer of Wells Fargo Bank in San Francisco. Gallo's e-mail warned that the concerns laid out in his August 30 letter (ref b) have become more urgent since there is now only one company able to clear these U.S. dollar checks from Taiwan (his client ceased last month), and it is now under threat of imminent closure. Gallo believes this will leave the money brokering business in Taiwan in the hands of organized crime.  
KEEGAN